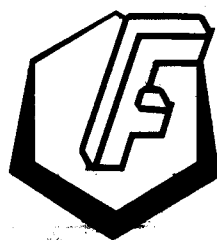


FISCHER

9th ANNUAL REPORT 2001 - 2002

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FISCHER INORGANICS AND AROMATICS LIMITED

BOARD OF DIRECTORS:

Mr. G.M.S. Narayanan	-	Whole Time Director
Mr. K. Vasudevan	-	Whole Time Director
Mr. V. Ganesh	-	Director
Mr. N. Venkatasubramanian	-	Director

REGISTERED OFFICE & WORKS:

Plot No.111, SIDCO Industrial Estate,
Kakallur, Thiruvallur District, Tamil Nadu.

BRANCHES:

Hyderabad, Mumbai, Bangalore, Ahmedabad.

AUDITORS:

S. Neelakantan, Chartered Accountant,
D-3, "Shoba" No.26, (Old No.12)
10th Avenue, Ashok Nagar,
Chennai 600 083.

ADMINISTRATIVE OFFICE:

68/42, 4th Avenue, Ashok Nagar,
Chennai 600 083.

BANKERS:

Vijaya Bank, T. Nagar, Chennai 600 029
State Bank of Mysore, T. Nagar, Chennai 600 029
The Catholic Syrian Bank, Chennai 600 029

SHARE TRANSFER AGENTS:*Physical:*

Hi-Tech Share Registry Private Limited
No.81, Greams Road,
Chennai 600 006.

Electronic:

Cameo Corporate Services Limited
"Subramania Building"
No.1, Club House Road, Chennai 600 002.

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NOTICE TO THE SHAREHOLDERS

NOTICE is hereby given that the 9th Annual General Meeting of the company will be held at K E Natesa Chettiar Thirumana Mandapam, 27 & 25, Panangal Street, Thiruvallur 602 110, Tamil Nadu on Tuesday the 24th day of December, 2002 at 11:00 am for transacting the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31st day of March, 2002 together with the Profit & Loss Account made upto that date along with the report of the auditors and directors to the shareholders.
2. To appoint a director in the place of Mr. G.M.S. Narayanan who retires by rotation and being eligible offers himself for reappointment.
3. To appoint Statutory Auditors and fix their remuneration.

SPECIAL BUSINESS:

4. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. V. Ganesh, who was appointed as Additional Director at the meeting of the Board of Directors of the company held on 31st January, 2002 and who pursuant to the provisions of the Section 260 of the Companies Act, 1956 holds office as such upto the date of the Ninth Annual General Meeting is eligible for re-appointment and in respect of whom a notice under Section 257 of the companies Act, 1956 has been received from a member signifying his intention to propose Mr. V. Ganesh as a candidate for the office of the Director of the Company be and is hereby appointed as director of the company."

5. To consider and if thought fit, to pass with or without modification the following resolution as an ordinary resolution:

"RESOLVED THAT Mr. N. Venkata subramaniam, who was appointed as Additional Director at the meeting of the Board of Directors of the Company held on 31st January, 2002 and who, pursuant to the provisions of the Section 260 of the Companies Act, 1956 holds office as such upto the date of the Ninth Annual General Meeting is eligible for re-appointment and in respect of whom a notice under Section 257 of the Companies Act, 1956 has been received from a member signifying his intention to propose Mr. N. Venkata subramaniam as a candidate for the office of the Director of the Company be and is hereby appointed as director of the company."

6. To consider and if thought fit, to pass with or without modification the following resolution as a Special Resolution.

"RESOLVED THAT subject to the approval of the Central Government and pursuant to Section 21 of the Companies Act, 1956 the name of the company be changed from, 'FISCHER INORGANICS & AROMATICS LIMITED' to 'FISCHER CHEMIC LIMITED'.

"RESOLVED further that FISCHER INORGANICS & AROMATICS LIMITED wherever it occurs in the Memorandum of Association and Articles of Association of the Company be substituted with the name FISCHER CHEMIC LIMITED."

By Order of the Board
for **FISCHER INORGANICS & AROMATICS LIMITED**

G.M.S. NARAYANAN
DIRECTOR

Place : Chennai
Date : 14-10-2002

NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.**
2. An explanatory statement pursuant to the provisions of Section 173 of the Companies Act 1956 is annexed hereto.
3. Members are requested to bring their copies of the annual report to the meeting.
4. Members are requested to notify immediately any change in their address to the Company's registered office.
5. The register of members and share transfer books will remain closed from 18th December 2002 to 24th December 2002 (Both days inclusive).

The logo for Report Junction, featuring the word "Report" in a grey sans-serif font, a yellow diamond icon with a black arrow pointing upwards and to the right, and the word "junction.com" in a green sans-serif font. The entire logo is enclosed in a light green rounded rectangular border.

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ANNEXURE TO NOTICE**Explanatory Statement :****Item No.4:**

Mr. V. Ganesh, who was appointed as Additional Director at the meeting of the Board of Directors of the company held on 31st January, 2002 and who pursuant to the provisions of the Section 260 of the Companies Act, 1956 holds office as such upto the date of the Ninth Annual General Meeting is eligible for reappointment. A notice under Section 257-of the Companies Act, 1956 along with a deposit of Rs.500/- has been received from a member signifying his intention to propose Mr. V. Ganesh as a candidate for the office of the Director of the Company. Mr. V. Ganesh has given his consent to act as director, if appointed; hence the item number 4 is placed before the members for approval.

Mr. V. Ganesh aged around 32 years is a Graduate from the University of Madras and carries a experience of around 10 years in the related field.

None of the Directors are neither concerned nor interested in the resolution.

Item No.5:

Mr. N. Venkatasubramaniam, who was appointed as Additional Director at the meeting of the Board of Directors of the company held on 31st January, 2002 and who pursuant to the provisions of the Section 260 of the Companies Act, 1956 holds office as such upto the date of the Ninth Annual General Meeting is eligible for reappointment. A notice under Section 257 of the Companies Act,

1956 along with a deposit of Rs.500/- has been received from a member signifying his intention to propose Mr. N. Venkatasubramaniam as a candidate for the office of the Director of the Company. Mr. N. Venkatasubramaniam has given his consent to act as director, if appointed; hence the item number 5 is placed before the members for approval.

Mr. N. Venkatasubramaniam aged around 40 years is a Graduate from the University of Madras and has a rich experience of around 12 years in sales and marketing Chemicals.

None of the Directors are neither concerned nor interested in the resolution.

Item No.6:

The name of the Company is 'FISCHER INORGANICS & AROMATICS LIMITED' and is engaged in the manufacture of Laboratory Chemicals. It is desirable that the name of the company reflects the business in which it is engaged and it has been thought fit that the name of the company be changed as 'FISCHER CHEMIC LIMITED' hence the resolution in item No.6 is placed before you for your approval to be passed as a Special Resolution.

None of the directors are neither concerned nor interested in the resolution.

By Order of the Board
for **FISCHER INROGANICS & AROMATICS LIMITED**

G.M.S. NARAYANAN
DIRECTOR

Place : Chennai
Date : 14-10-2002

DIRECTORS' REPORT TO THE SHAREHOLDERS

Your Directors have great pleasure in presenting to you the 9th Annual Report together with the Audited Accounts for the year ended 31st March 2002:

a. Financial Performance:

PARTICULARS	Year Ended	
	31 st March, 2002	31 st March, 2001
	(Rupees in lakhs)	
Profit/(Loss) before interest & Depreciation	78.08	(25.32)
Interest	10.42	42.70
Depreciation & Non-Cash charges	14.99	14.50
Loss Brought forward from Previous Year	(355.29)	(272.77)
Balance Loss Carried forward	(302.62)	(355.29)

b. Dividend:

In order to conserve the resources the directors have decided not to recommend any dividend for the year ended 31st March 2002.

c. Performance during the year 2001-2002:

During the financial year your company has posted a sales performance of Rs. 169 Lacs against the turnover of Rs. 135.55 Lacs in the previous year posing an increased business of 24% over the last year performance. Due to severe working capital crises & due to recessionary conditions, your company could not improve the performance further. In order to cut the heavy burden of Bank interest, your company has opted for one time settlement with company's banker M/s. The Catholic Syrian bank Ltd. and through negotiation your company could arrive at a figure of Rs. 125 Lacs as the settlement amount and accordingly the amount was settled.

d. Remedial Measures:

To increase the market reach, your company has already opened additional stockpoints at Bangalore & Ahmedabad and also strengthened the marketing team. Your

company has introduced high value added speciality chemicals for specific applications exclusively for research & development laboratories. Your Company also has initiated firm steps on export front which is promising. Your directors firmly believe that all these measure will bring the desired results.

e. Future Prospects:

With the increased activity on research & development in various sectors, the prospects of laboratory chemicals business is encouraging. With the concentration on exports and introduction of value added speciality products & wider reach of local market coupled with the acceptance of your company's brand at the user level, prospects of your company is promising.

f. Directors:

In order to strengthen the Board the directors have co-opted Mr. V. Ganesh and Mr. N. Venkatasubramaniam as additional directors and as per the provisions of the Companies Act, 1956 the said directors vacate office at the end of this annual general meeting. The Company has received notices from members signifying their intentions to propose the said directors for appointment. In addition to the above Mr. G.M.S. Narayanan, director of the company retire at this annual general meeting and being eligible offers himself for re-appointment. During the year under review Mr. Paneerselvam resigned from the board due to personal reasons, the directors wish to appreciate and place on record the services rendered by Mr. Paneerselvam.

g. Particulars of Employees:

During the year under review there were no employees in respect of whom information as per Section 217(2A) of the Companies Act, 1956 is required to be given in the Directors' report.

h. Directors Responsibility Statement:

In terms of Section 217 (2AA) of the

Companies Act, 1956 your directors confirm as under:

- i. that in the preparation of annual accounts, the applicable accounting standards has been followed along with proper explanation relating to material departures;
- ii. that the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company as at the end of the financial year and of the profit or loss of the company for that period.
- iii. that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- iv. that the directors had prepared the annual accounts on a going concern basis.

i. Conservation of Energy:

The Company has been taking all possible steps to conserve energy. The Company's manufacturing process is not power intensive.

Power Consumption:

Particulars	2001-02	2000-01
Units Purchased/ Consumed	59137	60490
Amount (Rs. in lakhs)	2.33	2.26
Rate per Unit (in Rs.)	3.94	3.75

j. Foreign Exchange Earnings & Outgo:

The company has incurred \$ 1250/- towards the foreign business trip of the directors during the year under review and there was no foreign exchange earning during the year under review.

k. Research & Development:

Company's research & development facilities are being continuously used for upgrading the quality of end products as per the requirement of end users.

l. Corporate Governance :

In order to bring more transparency in the conduct of the business, the Stock Exchanges have amended the listing agreement incorporating the code of Corporate Governance to listed companies. Clause 49 of the listing agreement has made corporate governance mandatory from the year 2002-2003 and accordingly the same is not applicable to your company for the year under review.

m. Directors' reply to the Qualifications specified in Audit Report :

2(f) ..and subject to Schedule 18 of Notes on Accounts, Note nos. 16 (a) & (b) relating to Pending confirmation of balances as on 31st March, 2002 and the provisions of Section 383A of the Companies Act, 1956 yet to be complied for appointment of full time company secretary, ..

The management has taken necessary steps to get the Confirmation of Balances from Sundry Debtors, Sundry Creditors and reconciliation is being done wherever it is felt necessary.

The Company has already initiated the steps to recruit a Company Secretary.

Annexure to Audit Report :

(i) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets, which has to be updated.

Records pertaining to Fixed Assets has since been updated.

(xv) The Company's internal audit system needs to be strengthened with respect to its size and nature of business.

The management has initiated necessary steps to strengthen the internal audit system which includes implementation of ERP Package as one of its component.

(xvii) The Company is remitting the Provident Fund dues with some delays.

In respect of Employee State Insurance the company is not regular in remitting the dues within the due dates;

According to the information and explanations given to me, no undisputed amounts were outstanding in respect of Income Tax, Wealth Tax, and Customs Duty as on 31st March, 2002 for a period of more than six months from the date they became payable except Sales Tax – Rs.225,709/- which remained outstanding as on 31st March, 2002 for a period of more than six months from the date they became payable;

Due to severe working capital crisis, the company could not meet timely remittance of Statutory Payments like PF, ESI & Sales Tax in certain cases. Steps have been taken to avoid such delays in future.

n. Dematerialization of shares:

The shareholders at the 8th Annual General Meeting had approved the dematerialization of the company's equity shares. Accordingly the company has entered into a tripartite agreement with M/s. Central Depository Services limited for conversion of shares

into electronic form. However, the company is yet to receive ISIN (International Securities Identification Number) from the said CDSL.

o. Deposits:

The company has not accepted any fixed deposits during the year under review.

p. Acknowledgements:

The Board of Directors of the Company would like to thank various Government Authorities, the Company's Bankers, Customers, and Suppliers for their unstinted support during the year. The Directors wish to place on record the dedicated services and contribution made by the employees at all levels during the year and thank the shareholders of the company for their continues support.

By Order of the Board
for **FISCHER INROGANICS & AROMATICS LIMITED**

G.M.S. NARAYANAN
DIRECTOR

Place : Chennai
Date : 14-10-2002

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